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8 Attorneys for Plaintiff,

9 IMMERSIVE MANAGEMENT HOLDINGS LLC

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12
13 IMMERSIVE MANAGEEN T
14 HOLDINGS, LLC,

15 Plaintiff,

16 vs.

17
18 KAHLIL GUZI KARMENU
19 PISCOPO, RYAN KINGHORN,

20 Defendants.

Case No.: 2:23-cv-9762

**COMPLAINT FOR
MISREPRESENTATION**

JURY TRIAL DEMANDED

1 Plaintiff Immersive Management Holdings LLC (“IMH”) submits its
2 Complaint against Kahlil Guzi Karmenu Piscopo and Ryan Kinghorn and alleges
3 as follows:

4 I. INTRODUCTION

5 1. IMH is in the business of developing media programs and location-
6 based experiences, including Westworld style theme parks that use virtual reality
7 and digital effects technology to give consumers realistic, immersive experiences
8 of, for example, an ancient culture. IMH’s principals, including CEO Cary Granat
9 and COO Ed Jones, have decades of experience in the entertainment industry.
10 They conceived of IMH and its affiliated company, Immersive Artistry LLC, and
11 their affiliates as first movers in a new kind of entertainment experience.

12 2. Since 2014, Granat and Jones have built an industry leader in the
13 location-based space, with partnerships with the NFL Pro Football Hall of Fame,
14 Caesars, Poly of China, International Realty Group LLC, and the Texas Rangers,
15 among others. Granat and Jones and their teams have raised more than \$50 million
16 in equity and millions more in partnership spend for their core projects.

17 3. To bring Immersive Artistry LLC, and its subsidiaries, to the next
18 phase of its growth, IMH sought to partner with funders in a joint venture that
19 would assume control of Immersive Artistry’s respected technology group,
20 creative teams and locations’ business, and provide the funding for growth. IMH
21 would contribute the operations, technology and creative teams of Immersive
22 Artistry LLC and its subsidiaries; the funder would bring a minimum of \$45
23 million of funding to a 50/50 venture that would own and control Immersive
24 Artistry LLC and its subsidiaries. The holding company venture would be
25 rebranded under the name Culture Fusion LLC.

26 4. Several investors showed interest in this proposed joint venture and
27 IMH had various sources of funding to consider.

28 5. One investor, Indigo Dragon Group (UK) Ltd (“IDGL”), approached

1 Granat and Jones in early 2020. IDGL, through its CEO, Defendant Kahlil Guzi
2 Karmenu Piscopo, and its purported COO, Defendant Ryan Kinghorn, represented
3 IDGL as a sophisticated company experienced with large investments around the
4 world and substantial funds of over a billion in European currency under their
5 control. They indicated that IMH's project fit squarely within their investment
6 mandate and asked Granat and Jones to develop an immersive experience to
7 transport people around the world into "First Nations" of the United States,
8 Canada, China, Australia, and Latin America. Mr. Piscopo indicated that IDGL
9 would be interested in being IMH's partner and funding the joint venture, which
10 would be called Culture Fusion, and wished to proceed immediately.

11 6. Mr. Piscopo and Mr. Kinghorn told IMH that IDGL had more than
12 sufficient capital to make an initial \$15-45 million investment to launch Culture
13 Fusion. Indeed, Defendants regularly referred to, and showed IMH evidence of,
14 investments in the hundreds of millions of dollars and capital backing in the
15 billions of dollars. Based on these representations, IMH decided to move forward.
16 In doing so, as Defendants knew, IMH gave up on other potential sources of
17 capital; especially an incoming funding of \$30 million that was scheduled for the
18 first week of April.

19 7. IMH and IDGL signed the Letter Agreement on April 2, 2020. Based
20 on Defendants' representations, IMH proceeded with the Culture Fusion venture
21 and formally ceased a deal with investors in Europe and ended discussions with an
22 Asian investment group. As contemplated in the Letter Agreement, IMH began
23 work on the joint venture project with IDGL and signed agreements with partners.
24 IMH worked diligently at sourcing locations and deals with the United Nations in
25 NYC and locations in Australia to support Defendants' and IDGL's desire to
26 proceed with the First Nations project.

27 8. The Letter Agreement calls for an initial investment of \$45 million, to
28 be made in two tranches, the first upon signing of the Letter Agreement and the

1 balance of funds by May 8, 2020. The day after signing, as promised, Mr. Piscopo
2 set out a schedule to fund the entire \$45 million over the next week, and
3 represented that an additional \$100 million in funds would be forthcoming for
4 expansion of projects. But no funding came that week. Mr. Piscopo apologized and
5 promised a swift resolution over the next 24 hours. But none came.

6 9. On April 28, Mr. Piscopo stated “we are not in breach of the written
7 agreement as it clearly states on or before the 8th of May, 2020.” May 8, 2020
8 came and still IDGL failed to provide any funds. For several months thereafter,
9 Defendants continued to acknowledge, in telephone calls, emails, WhatsApps, and
10 texts, and then through counsel, the obligation to fund. Mr. Piscopo and Mr.
11 Kinghorn continued to represent that funds would be dispatched tomorrow, the
12 next day or certainly next week. In multiple cases they communicated, in writing
13 and orally, that funds had already been wired. Mr. Piscopo gave details of bankers,
14 banks, and often specified times when the funds would clear IMH’s accounts. But
15 these statements were false.

16 10. Even after IMH initiated an arbitration proceeding under the Letter
17 Agreement to secure IDGL’s performance of its obligations, Defendants continued
18 to represent that funding would soon be provided. IMH continued to rely on
19 Defendants’ promises, to incur additional obligations based on the promised
20 funding, and to forego other lucrative opportunities. To this day, IMH has not
21 received a single dollar of the promised \$45 million.

22 11. When it executed the Letter Agreement in reliance on Defendants’
23 statements, IMH released other sources of funding that were available through its
24 affiliates. As a result, it cannot now simply obtain funding from a different source.
25 Even if it could, the delay could be fatal to IMH and Immersive Artistry’s market
26 position.

27 12. As a result of Defendants’ continued fraudulent representations about
28 funding, IMH and its affiliated businesses have been unable to make good on the

1 many commitments it has made in furtherance of the joint venture. IMH has also
2 been unable to pursue the joint venture in the manner that it had planned. That, in
3 turn, threatens IMH's first mover advantage in the location-based experiences
4 space.

5 13. IMH has also suffered opportunity costs and its principals have
6 suffered reputational costs as a result of Defendants' continued fraudulent
7 representations. IMH and its principals gave up significant other business
8 opportunities to proceed with Defendants, opportunities that would have resulted in
9 profits to IMH of tens of millions of dollars. Having built relationship and
10 reputations in the entertainment industry for decades, they now have to explain to
11 their partners why their promising venture lacks funding.

12 II. PARTIES

13 14. Plaintiff IMH is a Delaware LLC based in Los Angeles. IMH is in the
14 business of developing location-based experiences.

15 15. IMH's principals are CEO Cary Granat and COO Ed Jones. Mr.
16 Granat spent years working in Hollywood. He served as president and COO of
17 Miramax Films' Dimension Division from 1995 to 2000. He then co-founded
18 Walden Media and served as its CEO from 2000 to 2009. Mr. Granat's many films
19 include Walden Media's production of C.S. Lewis' The Lion, The Witch, and the
20 Wardrobe, Scream, Journey to the Center of the Earth, Scary Movie, Amazing
21 Grace, and Spy Kids.

22 16. Mr. Jones is an Academy Award-winning industry leader and pioneer
23 in digital media, specializing in 2D and 3D visual effects and animation. Mr. Jones
24 started his career at George Lucas' Industrial, Light and Magic, working on films
25 including the original Star Wars, the Indiana Jones movies, E.T. and The
26 Terminator series. He has worked in lead VFX roles with Dream Works,
27 Paramount Pictures, and Warner Bros. and has also been CEO of Warner's ESC
28 Entertainment and Kodak's Cinesite. Most recently, he worked at Reel FX, where

1 he supervised the technical design and production for the wildly popular
 2 Despicable Me and The Simpsons rides at Universal City, as well as The Ferrari
 3 Ride in Abu Dhabi. Mr. Jones won Academy Awards for his work on Who Framed
 4 Roger Rabbit and Happy Feet.

5 17. Defendant Kahlil Guzi Karmenu Piscopo is the Managing
 6 Director/CEO of IDGL. He is an Australian national who lives in Hong Kong.

7 18. Defendant Ryan Kinghorn was a purported member/partner and COO
 8 of IDGL. Mr. Kinghorn is an Australian national who lives in Australia.

9 19. Non-party IDGL is a United Kingdom limited company, with its
 10 headquarters in Hong Kong. As represented by Defendants, IDGL “specializes in
 11 management and investment of client assets and liquid funds with special emphasis
 12 on green energy preservation and protecting the environment.” According to
 13 IDGL’s presentation materials, it has “assets under management in excess of ten
 14 digits in Euro currency in addition to having its own assets and cash funds of a
 15 similar amount.” IMH and IDGL are parties to a JAMS arbitration proceeding
 16 under the Letter Agreement.

17 **III. JURISDICTION & VENUE**

18 20. Jurisdiction is proper under 28 U.S.C. § 1332(a)(2). Plaintiff IMH is a
 19 Delaware LLC based in Los Angeles and its two members, Cary Granat and Ed
 20 Jones, are individuals who are citizens of California and Texas, respectively.
 21 Defendants are citizens or subjects of foreign states who are not lawfully admitted
 22 to the United States for permanent residence and who are not domiciled in
 23 California. The amount in controversy exceeds \$75,000.

24 21. Venue is proper in the Central District of California because IMH is
 25 based in Los Angeles and a substantial part of the events or omissions giving rise
 26 to the claim occurred in the Central District of California. 17 U.S.C. § 1391(b)(2).

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28 ///

IV. BACKGROUND

A. Immersive Artistry and Culture Fusion

22. In 2014, Mr. Granat and Mr. Jones conceived of a plan to use Mr. Granat's experience with film production and Mr. Jones's experience with digital effects to launch a company that would develop and create location-based experiences. These Westworld-style theme parks would allow customers to be transported, through virtual reality and visual effects technology, to other lands and other worlds.

23. One such concept was "The Christmas Village," which was conceived as a unique immersive experience where guests would be transported into the Arctic on an ice breaker ship to discover the famed North Pole. As guests passed through the Gates of Santa's origin city, they would encounter a vibrant world of toy making factories, mail shops, more than 50 North Pole vendors, an ice-skating rink, a reindeer training facility, a Nativity world, and much more. In essence, Immersive Artistry and IMH bring worlds to life in a magical and unique manner that engage all of the guests' senses.

24. Mr. Granat and Mr. Jones created IMH, as well as various affiliates, including Immersive Artistry LLC, to implement their vision. They raised tens of millions of dollars from 2014 to 2019 to fund their business. But Granat and Jones wanted to continue to expand their vision. Accordingly, IMH went in search of the right strategic investor, who could partner with IMH in a joint venture called Culture Fusion Ltd. ("Culture Fusion") by providing a capital contribution that would be used to fund existing and new concepts such as the First Nations project, buy out the existing board members of Immersive Artistry, and grow the company.

25. IMH had several potential sources of funding in addition to IDGL, including through Immersive Artistry Holding Company, Ltd. ("IAHC"), an IMH affiliate. IMH chose to proceed with IDGL because, as represented by Defendants, it had substantial capital backing, extensive experience with funding and the ability

1 proceed to fund without delay. During discussions leading up to the execution of
 2 the Agreement, IMH emphasized that the funding was very important to the
 3 ongoing operations of IMH, Immersive Artistry, and its subsidiaries.

4 26. Defendants well understood IMH's needs. Mr. Piscopo expressed
 5 excitement about the proposed joint venture and confidence in IDGL's ability to
 6 fund not only the amounts contemplated by the parties at the time, but substantial
 7 additional amounts if needed to expand the venture. Defendants told IMH that
 8 IDGL had billions of dollars that they needed to invest in certain categories, which
 9 included the Culture Fusion concept. Mr. Piscopo also expressed the desire for
 10 IMH and Immersive Artistry to help fulfill his own personal vision to make the
 11 First Nations project a reality.

12 27. IDGL conducted due diligence on IMH, Immersive Artistry and
 13 Culture Fusion and the parties came to terms and executed a binding agreement.

14 **B. The Letter Agreement**

15 28. On April 2, 2020, IMH and IDGL executed the Letter Agreement, in
 16 which IDGL agreed to fund \$45 million for Culture Fusion as a 50/50 joint venture
 17 between IMH and IDGL. Mr. Piscopo executed the Letter Agreement on behalf of
 18 IDGL. The Letter Agreement is straightforward. It calls for IDGL to provide the
 19 \$45 million in two tranches, at least \$15 million upon execution of the Letter
 20 Agreement and the balance of the \$45 million by May 8, 2020:

21 Advance Capital Contributions. On the date hereof, IDG
 22 shall fund a portion of its capital contribution in an
 23 aggregate amount of between \$15,000,000.00 to
 24 \$30,000,000.00 (such amount actually funded, the
 25 "Initial Advance Contribution") to IMH using the wire
 26 information provided on Exhibit A. On or prior to May 8,
 27 2020, IDG agrees to fund the remaining portion of its
 28 capital contribution in the aggregate amount of

1 \$45,000,000.00 less the Initial Advance Contribution in
 2 one or more payments (each such payment, a
 3 “Subsequent Advance Contribution” and together with
 4 the Initial Advance Contribution, the “Advance
 5 Contributions”) to IMH (or once Culture Fusion is
 6 formed, to Culture Fusion) on or prior to May 8, 2020.

7 Letter Agreement, Clause 1. This provision, by its terms, states that IDGL “shall
 8 fund” the Initial Advance Contribution and that IDGL agreed to fund the
 9 remaining amount due on the \$45 million capital contribution by May 8, 2020. The
 10 Letter Agreement does not provide IDGL any basis to refuse to fund the capital
 11 contribution or provide it any mechanism to further negotiate the funding
 12 deadlines.

13 29. In turn, IMH agreed that the funds would be considered capital
 14 contributions in the joint venture company and would be used on the venture:

15 The Parties hereby agree that any Advance Contributions
 16 paid to IMH shall be treated as a capital contribution to
 17 Culture Fusion once it is formed. The proceeds for any
 18 Advance Contributions will be used to fund and control
 19 the operations of Culture Fusion, including the operations
 20 of Immersive Artistry and its subsidiaries, and to develop
 21 First Nation projects. The Parties intend to collaborate on
 22 a second phase budget and funding, which will be used
 23 for build out and operations of Culture Fusion projects.

24 Letter Agreement, Clause 1.

25 30. The Letter Agreement also requires IMH to terminate its source of
 26 funding through IAHC. As acknowledged in Clause 2 of the Letter Agreement,
 27 IAHC was formed for “the purposes of investing in and funding the operations of
 28 Immersive Artistry.” IMH agreed in the Letter Agreement, however, “that it will

1 cause IAHC to terminate any agreements for investments in Immersive Artistry
2 and its subsidiaries.” *Id.* In other words, Clause 2 obligated IMH to proceed with
3 IDGL and to give up its primary other potential source of funding.

4 31. Clause 2 of the Letter Agreement allows IMH to terminate this
5 restriction only “if [IDGL] has not funded its full capital contribution of
6 \$45,000,000 on or prior to May 8, 2020.” On the other hand, the Letter Agreement
7 provides that IDGL “shall fund” and provides it no right for it to decline to fund.

8 C. IMH’s Performance under the Letter Agreement in Reliance on Defendants’
9 Promises

10 32. Following execution, IMH began performing its obligations under the
11 Letter Agreement. It took steps to terminate other funding options. It made
12 preparations for Culture Fusion to assume control of Immersive Artistry, including
13 by obtaining approval from board members to transfer their rights. IMH also
14 executed agreements and made commitments with various third parties and
15 vendors required to pursue various projects, including the Christmas Village and
16 First Nations projects. IMH worked every day to advance Culture Fusion.

17 33. The day after the Letter Agreement was executed, Friday, April 3,
18 2020, Mr. Piscopo proposed a schedule to fund the entire \$45 million over the
19 following week: \$10 million would be funded on Monday, April 6, \$5 million on
20 Tuesday, April 7, and \$30 million on Thursday, April 9. But the week came and
21 went, with no funding.

22 34. On April 10, Mr. Piscopo sent a lengthy email to Mr. Granat and Mr.
23 Jones that blamed IDG’s failure to make good on its funding commitments on
24 “trading cycles.” He reiterated that IDGL had in excess of \$17 billion in assets
25 under management and promised that funds would arrive by April 13. Mr. Piscopo
26 assured IMH that he would “focus on ensuring these funds are made available as
27 soon as they are available to us and [as] I had said take my partners seriously in all
28 aspects and my friends even more so. I consider you both to be friends and

1 partners.”

2 35. No funding came on April 13. Notwithstanding the importance of
3 timely receipt of the funds, IMH remained patient and sought to assist IDGL in
4 making good on its commitments. IMH proposed using its own connections with
5 financial institutions to resolve whatever issues IDGL was having with funding,
6 but IDGL declined and still failed to fund.

7 36. Defendants continued to promise funding in written and voicemail
8 communications on April 21, 23, 24, 25, 26, 27, 28, and 30. Both Mr. Piscopo and
9 Mr. Kinghorn represented to Mr. Granat and Mr. Jones that funds would be
10 dispatched shortly or even that funds were already on the way.

11 37. For example, on April 23, 2020, Mr. Piscopo indicated that everything
12 had been completed so that Citibank could wire funds to the IMH’s account
13 referenced in the Letter Agreement. IDGL did not wire any funds. On April 27,
14 2020, Mr. Piscopo indicated that he expected a “breakthrough” “tomorrow.”

15 38. On April 28, after IDGL had strung IMH along for weeks, Mr.
16 Piscopo stated “we are not in breach of the written agreement as it clearly states on
17 or before the 8th of May, 2020.” IDGL, however, did not provide any funding by
18 May 8 and, at that point, by its own admission, was in breach of the Letter
19 Agreement.

20 39. On an almost daily basis through May, Defendants continued to
21 promise, in written and verbal communications, that IDGL would provide the
22 funding shortly, and often provided specific dates and times that IMH should
23 expect funds to arrive. No funds arrived.

24 40. On May 16, 2020, Mr. Piscopo claimed that IDGL could not provide
25 the funding because of the problems with the global economy: “I have to again
26 apologise for the delay in sending you the much needed investment funds for
27 investing in [Immersive Artistry] and the funds to commence [Culture Fusion]
28 operation.” He thanked Mr. Granat and Mr. Jones for their patience and said he had

1 been advised that funds would be available that week.

2 41. Later in May, Mr. Piscopo left voicemail messages indicating that
3 funding was coming from Credit Suisse or Royal Bank of Canada. This was a
4 consistent practice of Defendants. Mr. Piscopo represented that he had accounts
5 with and could fund from financial institutions including Citibank, HSBC, Bank of
6 America, Royal Bank of Canada, and Deutsche Bank. IDGL also represented that
7 it works with a paymaster called Global Development House (“GDH”) to facilitate
8 the funding and on certain occasions blamed GDH for delays.

9 42. Finally, on May 29, 2020, IMH, through counsel, sent a demand letter
10 seeking the funds by June 1, 2020. Mr. Piscopo responded on May 31 with another
11 list of excuses. For example, he said that the “global pandemic” had affected their
12 ability to fund even though the lockdown orders in Hong Kong, the United
13 Kingdom, and California had gone into effect before the Letter Agreement had
14 been executed. Defendants were well aware of the pandemic when they negotiated
15 the Agreement and agreed to the deadline for funding. In any event, Defendants
16 did not explain why bank wire transfers would be affected by the pandemic.

17 43. On June 4, IDGL responded through counsel. IMH initially welcomed
18 the involvement of counsel, hoping that he might be able to facilitate funding as
19 promised by Defendants, and agreed to delay initiating arbitration to give time for
20 Defendants to make good on their promises. But it soon became clear that they
21 were just making the same empty promises, now through counsel. Mr. Piscopo and
22 Mr. Kinghorn continued each week to promise funding “this week.” But many
23 “this weeks” came and went without funding. Finally, running out of patience and
24 experiencing increasing pressure from its own counterparties, IMH initiated a
25 JAMS arbitration proceeding under the Letter Agreement.

26 **D. The Related Arbitration Exposes Further Fraud**

27 44. Clause 5 of the Letter Agreement contains a mandatory arbitration
28 provision:

1 any dispute under or relating to the terms of this Letter Agreement
 2 or any breach thereof . . . shall be submitted to binding arbitration
 3 by JAMS, before a single arbitrator (who will have extensive
 4 experience arbitrating disputes in the entertainment industry), in
 5 Los Angeles, California in accordance with the rules promulgated
 6 by said association and any judgment and award rendered thereby
 7 may be confirmed by any court having jurisdiction thereof.

8 45. Pursuant to this provision, IMH commenced an arbitration against
 9 IDGL, Mr. Piscopo, and Mr. Kinghorn for breach of the letter agreement and
 10 fraud. JAMS provided notice to all parties on August 6, 2020 that it had received
 11 IMH's Request for Arbitration.

12 46. In response, Mr. Kinghorn and Mr. Piscopo objected that the JAMS
 13 did not have jurisdiction over the claims alleged against them. As part of that
 14 objection, on October 21, 2020, Piscopo stated that "Kinghorn is not and has never
 15 been a director or shareholder of [IDG] and so should not be a party enjoined in
 16 this dispute." Mr. Piscopo's statement to JAMS regarding Mr. Kinghorn's
 17 relationship and role with IDG revealed another misstatement of material fact as
 18 both Mr. Piscopo and Mr. Kinghorn represented otherwise during the negotiations
 19 prior to and after execution of the Letter Agreement.

20 47. As a result of the jurisdictional objection, on November 18, 2020,
 21 JAMS indicated that it would proceed with the arbitration only against IDGL as the
 22 party to the arbitration agreement.

23 48. On September 23, 2021, following an arbitration hearing at which
 24 IDGL failed to appear despite receiving proper notice, the arbitrator issued an
 25 award in favor of IMH and against IDGL. IMH petitioned this Court to confirm the
 26 award. On April 12, 2022, this Court granted the petition and enforced the award,
 27 entering it as a judgment. *Immersive Management Holdings LLC v. Indigo Dragon*
 28 *Group (UK) Ltd.*, Case No. 2:21-cv-08895-FMO-GJS.

1 Plaintiffs previously filed this case in this Court, but Defendants resisted and
2 evaded service of process, despite receiving actual notice of the proceeding. The
3 Court dismissed that action without prejudice. *Immersive Management Holdings*
4 *LLC v. Piscopo, et al.*, Case No. 2:21-cv-00155-RGK-RAO. This case follows.

5 **E. Defendants' Misrepresentations and Omissions Caused IMH**
6 **Irreparable Harm**

7 48. IMH files this proceeding to remedy the substantial losses and
8 irreparable harm it has suffered as a result of Defendants' conduct. IMH built on its
9 relationships to get ready to launch Culture Fusion. It made operational
10 commitments to partners, employees, and high-profile board members, based on
11 Defendants' promises. As a result of the lack of funding and Defendants'
12 misrepresentations, IMH has limited ability to make good on the many
13 commitments it has made in furtherance of the joint venture.

14 49. IMH also gave up significant other business opportunities to continue
15 to pursue the partnership with IDGL. IMH released other sources of funding
16 through IAHC. But, in reliance on Defendants' promises, IMH also gave up
17 multiple profitable opportunities around the world that, conservatively, would have
18 resulted in profits to IMH in the tens of millions of dollars.

19 50. Defendants' wrongful conduct also has caused reputational damage.
20 IMH's principals, including in particular Mr. Granat and Mr. Jones, have, over
21 decades, built their reputations and relationships with partners including other
22 companies, banks and governments. As a result of Defendants' failures, IMH has
23 had to scramble to explain to their partners, employees and board members why
24 their venture lacks the promised funding.

25 51. Finally, IMH hoped to leverage a first mover advantage in the
26 location-based experience space. Defendants' repeated misrepresentations threaten
27 to impair that advantage, at a staggering cost to IMH.
28

V. CAUSES OF ACTION

**FIRST CAUSE OF ACTION FOR FRAUD/MISREPRESENTATION
AGAINST DEFENDANTS**

52. IMH incorporates by reference all preceding paragraphs as set forth fully herein.

53. Defendants made false or misleading statements to IMH and/or failed to disclose material information to IMH, including that IDGL would provide funding to IMH as required by the Letter Agreement.

54. Defendants made those statements intentionally, recklessly or negligently and Defendants had no reasonable grounds for believing the representations were true when they made them.

55. IMH reasonably relied on Defendants' false statements, including by making commitments and entering into agreements based on representations that IDGL would comply with its obligations in the Letter Agreement.

56. IMH has been harmed as a result of Defendants' fraud and/or misrepresentations.

SECOND CAUSE OF ACTION

FRAUDULENT INDUCEMENT AGAINST DEFENDANTS

57. IMH incorporates by reference all preceding paragraphs as set forth fully herein.

58. Defendants induced IMH to execute the Letter Agreement with false representations of present fact collateral to the contract including, but not limited to, IDGL's access to billions of dollars in capital that Defendants had access to for funding the requirements under the Letter Agreement.

59. Defendants made those statements intentionally, recklessly or negligently and Defendants had no reasonable grounds for believing the representations were true when they made them.

1 60. IMH reasonably relied on Defendants' false statements, including by
2 making commitments and entering into agreements based on representations that
3 IDGL would comply with its obligations in the Letter Agreement.

4 61. IMH has been harmed as a result of Defendants' fraud and/or
5 misrepresentations.

6 62. IMH's harm includes special damages caused by the
7 misrepresentations that induced it to execute the Letter Agreement. Specifically,
8 Defendants' actions fraudulently induced IMH to forego other funding
9 opportunities and business opportunities. These damages caused harm to the value
10 of IMH's business, loss of goodwill, and loss of enterprise value.

11 63. IMH will suffer irreparable harm from Defendants' conduct and the
12 balance of equities favors IMH.

13 **THIRD CAUSE OF ACTION**

14 **ADDING DEFENDANTS AS JUDGMENT DEBTORS AS ALTER EGOS**

15 **(Cal. Civ. Proc. Code §187)**

16 64. IMH incorporates by reference all preceding paragraphs as set forth
17 fully herein.

18 65. IMH is a judgement creditor on the judgment in the case *Immersive*
19 *Management Holdings LLC v. Indigo Dragon Group (UK) Ltd.*, Case No. 2:21-cv-
20 08895-FMO-GJS ("Judgment").

21 66. Defendants had control of IDGL and the litigation that led to the
22 Judgment and were represented in that proceeding.

23 67. There is such a unity of interest and ownership that the separate
24 personalities of IDGL and Defendants do not exist and an inequitable result will
25 follow if the acts are treated as those of the IDGL alone.

26 68. Among other things, Defendants owned and/or controlled IDGL;
27 IDGL was undercapitalized; Defendants used IDGL as a mere shell for their
28 affairs; Defendants, on behalf of IDGL, made misrepresentations as set forth

1 above; and, on information and belief, IDGL did not observe proper corporate
2 formalities.

3 **VI. PRAYER FOR RELIEF**

4 69. IMH respectfully requests an award of:

- 5 (i) damages according to proof;
6 (ii) special damages according to proof;
7 (iii) an order adding Defendants as Judgment Debtors on the
8 Judgment;
9 (iv) attorneys' fees, costs, and expenses to the extent allowed by
10 law; and
11 (v) any additional and further relief to which IMH may be entitled.

12 **JURY TRIAL DEMAND**

13 Plaintiff respectfully demands a trial by jury of all issues triable.
14

15 DATED: November 17, 2023

Respectfully submitted,

16 STEPTOE & JOHNSON LLP
17

18 By: /s/ Robert W. Mockler

19 Robert W. Mockler

20 Attorneys for Plaintiff

21 IMMERSIVE MANAGEMENT

22 HOLDINGS LLC
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